



**State
Member
Benefits**

*California
Public Employees'
Retirement System*

January 1994

Here is your California Public Employees' Retirement System (CalPERS) member benefit booklet. This two-part booklet tells you about your retirement program. The outside portfolio contains information on contributions, health insurance, and other considerations. The booklet inside tells you about your specific formula and benefits. It will help you choose the best retirement plan for you and your beneficiaries. As you think about retirement, you should get a copy of our **Planning Your Service Retirement** (PERS-PUB-1) brochure, available from your personnel office.

We urge you to attend a retirement planning workshop several months before you retire to help with this decision. Your personnel office can help you arrange an appointment at the nearest CalPERS office or with CalPERS staff who travel to your area.

We hope this booklet will help you understand your retirement program and the benefits it provides you and your beneficiaries.

Your Contributions

As a CalPERS member under this formula, a portion of your monthly pay is deducted each month and put into the retirement fund. The amount of your contributions, and the interest earned, is shown on your CalPERS Annual Member Statement. As your employer, the state contributes a substantial amount each month on your behalf. However, this amount is not shown in your statement as it is placed in a separate account. CalPERS uses your contributions and those of your employer, as well as income from investments, to pay for your benefits.

Changing Jobs

If you leave your present job, you may leave your contributions on deposit, or you may request a refund of your contributions and interest. If you elect a refund, 20% Federal withholding is mandatory unless you request your refund be directly rolled over into a qualified defined contribution plan or an Individual Retirement Account (IRA). **Remember**, if you leave your contributions on deposit with CalPERS, you will continue to earn interest at the current interest crediting rate. You may then later apply for a refund (see below) or retirement (if you meet service and age requirements).

You cannot receive a refund if one of the following conditions applies:

1. you have entered CalPERS-covered employment;
2. you have accepted a position covered by the State Teachers', Legislators', or Judges' Retirement System;
3. you became a member, within six months of leaving your state job, of a California public retirement system that has reciprocity with CalPERS. Reciprocity is an agreement between CalPERS and certain other systems that permits movement of members to and from CalPERS without the loss of certain retirement rights. Contact the Member Services Division for information on reciprocity.

A refund terminates your CalPERS membership, and you will not be eligible for any benefits unless you return to CalPERS membership.

Redepositing Withdrawn Contributions

If you return to CalPERS membership, you may be eligible to redeposit your contributions, plus interest, and restore corresponding service credit. You may also be eligible to redeposit your contributions if you become a member of another California public retirement system which has reciprocity with CalPERS. If you are thinking about retiring soon, you should submit your request to redeposit as early as possible in order to avoid delays in your retirement processing. Please be aware that your election to redeposit must be done prior to your effective date of retirement.

For information on other types of additional service credit that may be available to you, see our booklet, *Service Credit*, or contact the Member Services Division.

To Receive An Estimate

If you are considering retirement within three-five years and you are at least age 47, CalPERS can prepare an estimate of your allowance for you and mail it to your home. This will tell you approximately what your allowance would be under the options available to you. You may request an estimate by mail by completing a Retirement Allowance Estimate Request, PERS-BAS-1, available from your employer or CalPERS. You may also request an estimate by telephone to the Area or Field Office near you (see back cover for addresses and telephone numbers). We'll need to know:

- your name;
- birthdate;
- social security number;
- mailing address;
- tentative date(s) of retirement,
- your beneficiary's birthdate and his/her relationship (if you wish

estimates for Options 2, 3, or 4);

- whether you have ever received a CalPERS monthly allowance;
- whether you have:
 1. a spouse to whom you will have been married for at least one year prior to your effective date of retirement, or if no such spouse;
 2. unmarried children under age 18, or any unmarried child who was disabled prior to age 18 and has remained disabled continuously since then, or if no such children;
 3. dependent parents.

If you wish to estimate your own retirement allowance, please refer to your member booklet.

Choosing A Retirement Plan

At retirement you may choose to receive the highest allowance (called the unmodified allowance), or you may take a reduction and choose one of four optional settlements. These are explained in your member booklet.

Regardless of the retirement plan you choose, upon your death CalPERS will pay a \$2,000 retired member death benefit to a named beneficiary.

Applying For Retirement

You must complete and file an Application for Retirement, PERS-BAS-369, available from your personnel office or any CalPERS office. You may, at that time, request calculations for the unmodified allowance and all the options.

To ensure timely processing, your application should be submitted to CalPERS at least 90 days before you intend to retire. The retirement law provides that a member's effective retirement date can be no earlier

than the first of the month in which the application is received, except in special circumstances.

If you leave your CalPERS-covered job and join a reciprocal system, you become a member of both systems. When you retire, you must apply for retirement from each system separately. For further information on reciprocity, please see the booklet, *When You Change Retirement Systems*.

If you are married, you may be asked to provide a copy of your marriage certificate. If you plan to name a beneficiary to receive a monthly allowance, you will also have to present proof of your beneficiary's date of birth. Copies of required documents are acceptable.

Before your retirement date, you should receive an Election of Optional Settlement and Beneficiary Designation, PERS-BAS-898. You must select one of the optional settlements or the unmodified allowance, sign the form in the presence of a notary public or an authorized CalPERS representative, and return it to CalPERS headquarters in Sacramento.

Other Considerations

Health Insurance

To participate in this program as a retiree, you must be enrolled in a CalPERS-sponsored health plan on the date of your separation from employment.

If you retire within 30 days after separation from employment, your health coverage will automatically continue.

If you retire more than 30 but within 120 days of separation from employment, your health coverage will not automatically continue. However, you may re-enroll in your health plan. Contact the Health Benefit Services Division as soon as you are advised of your retirement date.

If your effective date of retirement is more than 120 days after separation from employment, or you are not enrolled at the time of separation, you are not eligible to be enrolled at retirement or any future date.

If upon retirement you are eligible for Social Security medicare benefits (after age 65), state law prohibits your continued enrollment in the "basic" plan. You must enroll in the supplement to medicare for the CalPERS-sponsored plan in which you are enrolled. Contact the Health Benefit Services Division or an Area or Field Office after receiving your federal medicare card to determine your eligibility and coordinate the effective date of your supplement to medicare coverage.

The state will contribute to the cost of your health benefits coverage based on the date you were first hired by the state and your years of credited service.

- If you were first hired prior to January 1, 1985, the state will contribute fully toward your health insurance, regardless of your years of service.
- If you were first hired on or after January 1, 1985, but before January 1, 1989, and you have 10 years or more of service credit, the state will contribute fully toward your health insurance. Otherwise, the state's contribution will be prorated according to your years of service.
- If you were first hired as a represented employee on or after January 1, 1989, or as a nonrepresented employee on or after January 1, 1990, and you have 20 years or more of state service, the state will contribute fully toward your health insurance. Otherwise, the state's

contribution will be prorated according to your years of state service (a minimum of 10 years state service is required).

If your family members are enrolled as dependents at the time of your death, their enrollment will be continued automatically if they receive a monthly allowance from CalPERS. The state's contribution will also continue. If their monthly allowance does not cover their share of the premium, CalPERS will notify them of their options. If they do not receive a monthly allowance, they may continue their coverage through the "COBRA" program (contact your personnel office for information).

Surviving family members' eligibility for health coverage can change due to various circumstances. For example, a spouse who is receiving a 1959 Survivor Benefit may experience an interruption in health coverage due to loss of eligibility for dependent children. The spouse may re-enroll upon regaining eligibility at age 62. For more information on eligibility, call the Health Benefit Services Division.

Dental Insurance

To participate in this program as a retiree, you must be enrolled in (or eligible for) a CalPERS-sponsored health plan on the date of your separation, and you must retire within 120 days of separation from employment. The state's contribution is the same as for active employees. If you have any questions about the dental program, contact the health benefits officer in your agency or the Department of Personnel Administration at (916) 322-0300. (California State University employees: contact your campus personnel office.)

Vision Plan

At present, vision plan is not continued into retirement.

Cost-Of-Living Adjustments

A special provision in your retirement plan allows for cost-of-living increases. The first adjustment will be made in the second calendar year following your retirement and annually thereafter. Currently, these increases are limited to a maximum annual adjustment of 2% compounded.

Inflation Protection

Added protection against inflation is provided by the Purchasing Power Protection Account (PPPA), created to restore an annuitant's monthly allowance to 75% of its original purchasing power.

You will automatically receive PPPA supplemental payments (paid quarterly) if your allowance falls below the 75% purchasing power level and there are funds in the PPPA account. Current experience shows that it takes about 10 years after retirement before becoming eligible for PPPA payments.

Temporary Annuity

A temporary annuity is an additional monthly income you may choose to receive to augment your pension from CalPERS. This additional benefit may enable you to coordinate your CalPERS benefit with other income you may receive from deferred compensation or social security, and may allow you to retire earlier.

The temporary annuity benefit is payable from your retirement date to a specific age that you select from 59½ or any whole age from 60 to 68. You can also designate the dollar amount you wish to receive. The benefit is not free, however. Your lifetime retirement allowance is reduced to pay for your temporary annuity.

In order to be eligible for temporary annuity benefits you must retire with a service retirement. You are not

eligible for the temporary annuity benefit if you apply for a disability retirement.

For more information on who qualifies and the cost and benefits under this plan, see our booklet *Temporary Annuity*.

Taxes

Your benefits will be subject to both state and federal withholding. You will be given the opportunity to make an election regarding withholding.

At retirement, we recommend that you make an appointment with representatives from the Internal Revenue Service and State Franchise Tax Board, or your private tax consultant or attorney, to obtain information regarding the taxability of your retirement allowance. CalPERS will provide you with the information it needs to advise you in this matter.

Social Security

If you have ever contributed to Social Security, check with your local Social Security office to determine what your benefits may be under that program.

Working After Retirement

After your service retirement, you may work for private industry or any non-CalPERS agency without affecting your retirement allowance.

Before you enter into CalPERS-covered employment, check with CalPERS on how this would affect your retirement status.

If you retire for disability, your allowance may be reduced by outside employment. See our booklets on disability for more information.

Reinstatement To Membership

If you wish to accept employment requiring membership in CalPERS, you must be reinstated from retirement.

The retirement law requires that CalPERS approve your reinstatement before it becomes effective. You will have to comply with certain requirements to be reinstated. When your reinstatement becomes effective, you will stop receiving your allowance until you retire again. Reinstatement will affect future benefit payments and cost-of-living allowances. You must contact CalPERS prior to reinstating.

Sick Leave Credit

At retirement, any unused sick leave you have will be converted to additional service credit. (The additional service will not change your age at retirement.) You will receive credit for each day of unused sick leave certified by your employer. It takes 250 days of sick leave to receive one year's service credit. For example, if your employer certified 120 days, your additional credit would be $120 / 250$, or .480 of a year's service credit. This adjustment is calculated after your retirement and paid retroactively to your retirement effective date.

To receive sick leave credit, your retirement date must be within 120 days of the date of separation from employment.

Changing Beneficiaries After Retirement

A change in your marital status, the birth or adoption of a child, or the death of your named beneficiary may, by law, change your beneficiary designation.

You may change your designation for Option 1, the retired death benefit, or any unpaid temporary annuity payments at any time by filing a Beneficiary Designation for Death Benefits After Retirement, PERS-PRS-509.

Re-election Of Option After Retirement

There are certain situations under which you may re-elect an option after retirement. Such re-election will result in a reduction to your allowance.

- If you choose to receive the unmodified or Option 1 allowance, you may elect to receive an optional settlement naming your new spouse as beneficiary. Contact CalPERS immediately for the most current provisions of the law.
- If you choose to receive Option 2, 2W, 3, 3W or 4, and your beneficiary dies, you may elect to receive an optional settlement and name a new beneficiary.

Power Of Attorney

CalPERS has a durable special power of attorney form for use by members and beneficiaries. The power of attorney enables the member or beneficiary to appoint another individual to deal with CalPERS on his or her behalf. The appointed individual may select a retirement option and/or a beneficiary on behalf of the member, change the mailing address, sign tax withholding forms, and conduct other retirement business on behalf of the person making the appointment. Because of the broad power granted by the special power of attorney, CalPERS recommends that you consult an attorney prior to signing this document.

The power of attorney will not lapse should you subsequently become mentally incapacitated, unless specified on the form. If a member or beneficiary becomes mentally incapacitated and a power of attorney form has not been completed, a conservator of the estate may be required before any necessary CalPERS business can be conducted on behalf of that member or beneficiary.

For some purposes, such as the election of a retirement option or the designation of a beneficiary, CalPERS will not accept powers of attorney which are not on the CalPERS form. Even if you have already signed a power of attorney document, you should obtain and sign the power of attorney form provided by CalPERS. The laws regarding powers of attorney change from time to time, making it important to have a current power of attorney form on file with CalPERS.

Retirement Workshops and Seminars

CalPERS offers two-hour retirement workshops and two-day Planning Your Future Now seminars to enable members to plan for a better and healthier retirement. Contact your nearest CalPERS office for details.

While reading this material, remember that we are governed by the Public Employees' Retirement Law. The statements in this booklet are general. The retirement law is complex and subject to change. If there is a conflict between the law and this booklet, any decisions will be based on the law and not this booklet.

Headquarters Telephone Numbers

| | Public |
|--|----------------|
| Annual Member Statements | (916) 326-3141 |
| Refund Of Contributions | (916) 326-3232 |
| Death Notification | |
| Active Member | (916) 326-3232 |
| Retiree | (916) 326-3848 |
| Health Benefits | (916) 326-3604 |
| Redeposits And Additional Service Credit | (916) 326-3141 |

Telephone Information Centers

| | |
|--------------------------------|----------------|
| * Benefit Application Services | (916) 326-3232 |
| * Post-Retirement Services | (916) 326-3848 |
| * Member Services Division | (916) 326-3141 |

TDD Numbers

| | |
|----------------------|----------------|
| Information | (916) 326-3000 |
| Benefits Information | (916) 326-3240 |

*These numbers are available to leave an inquiry 24 hours a day, seven days a week.

Fax Numbers

| | |
|---------------------------------------|----------------|
| Benefit Application Services Division | (916) 326-3934 |
| Post Retirement Services Division | (916) 326-3933 |
| Health Benefits Division | (916) 326-3935 |
| Member Services Division | (916) 558-4019 |
| Field Services Division | |
| Los Angeles Regional Office | (310) 231-3480 |
| Sacramento Regional Office | (916) 326-3176 |
| San Francisco Regional Office | (415) 396-9776 |
| Fresno Regional Office | (209) 433-0196 |
| Orange County Regional Office | (714) 935-2628 |
| San Bernardino Regional Office | (909) 383-6882 |
| San Diego Regional Office | (619) 220-5457 |
| Mountain View Regional Office | (650) 428-0279 |

Please Note: when corresponding with the System, always include your Social Security number in your letters and on your documents for identification purposes. Please do not send Social Security number via e-mail.

About the cover:

Ochre Star; *Pisaster ochraceus*

The most common starfish of the Pacific Coast is the Ochre Star, found on rocks at low tide from Southern Alaska to Baja, California. This echinoderm's color varies depending on location. In the north it is commonly purple, but along the Southern California Coast, it is predominately ochre yellow or orange. The starfish dine on mussels, clams and oysters and grow up to 20 inches in diameter.

CalPERS Addresses

Sacramento Regional Office (Headquarters)

Linclon Plaza, 400 P Street,
Room 1490
Sacramento, CA 95814
Telephone: (916) 326-3630

Los Angeles Regional Office

11766 Wilshire Blvd., Suite 1600
Los Angeles, CA 90025
Telephone: (310) 231-3464

San Francisco Regional Office

301 Howard St., Suite 2020
San Francisco, CA 94105
Telephone: (415) 396-9700

Fresno Regional Office

10 River Park Place East, Suite 230
Fresno, CA 93720
(209) 433-0164

Orange County Regional Office

500 Orange Tower
500 North State College Blvd.,
Suite 730
Orange, CA 92668
Telephone: (714) 935-2625

San Bernardino Regional Office

Lakeside Tower, 3rd Floor
650 East Hospitality Lane, Suite 330
San Bernardino, CA 92408
Telephone: (909) 383-4431

San Diego Regional Office

7676 Hazard Center Dr., Suite 350
San Diego, CA 92108
Telephone: (619) 220-5454

Mountain View Regional Office

650 Castro Street, Suite 240
Mountain View, CA 94041
Telephone: (650) 428-0112

This is PERS-PUB-3 to be used with
Booklets Pub 3A,3B,3C,3D,3E



•

**State
Miscellaneous
1 1/4% at 65
Second-Tier
Benefits**

•

*California
Public Employees'
Retirement System*

January 1995

Definition

“State miscellaneous” members are those employed by the state and universities who are not involved in law enforcement, fire suppression, or the protection of public safety, or in a position designated by law as safety, industrial, or peace officer/firefighter.

Important Message

The information in this booklet applies only to the second-tier formula, $1\frac{1}{4}\%$ at 65. To qualify for certain benefits discussed in this booklet, you must be at least 55 years of age and have a minimum of 10 years CalPERS-covered service. However, if you have five years of credited service earned prior to January 1, 1985, you are eligible to retire at age 50 with less than 10 years service.

For service under any other formula, please obtain a copy of the appropriate booklet from your Personnel Office.

Notice

Section 415 of the Internal Revenue Code places limits on the annual benefit you can receive from a tax-qualified pension plan such as CalPERS. Under Section 415, the maximum annual benefit payable if you retire at Social Security “normal retirement age” is the lesser of the following:

1. 100% of your highest consecutive three years of taxable earnings, or
2. \$90,000 (indexed annually for inflation and reduced for early retirement).

If you first became a CalPERS member prior to January 1, 1990, your benefit, under certain circumstances, may exceed these limits.

If at retirement CalPERS finds that your benefit must be limited under Section 415, CalPERS will enroll you in a replacement benefit program and pay a monthly amount that will, to the extent possible, make up the amount your CalPERS benefit is limited.

While reading this material, remember that we are governed by the California Public Employees’ Retirement Law. The statements in this booklet are general. The Retirement Law is complex and subject to change. If there is a conflict between the law and this booklet, any decisions will be based on the law and not this booklet.

Pre-Retirement Death Benefits

If you die before you retire, CalPERS provides several benefits for your family or the beneficiary(ies)* named by you. Since there are different choices to make, you should discuss these with your beneficiary. For your convenience, we have divided the pre-retirement death benefits into two categories: **Not Eligible To Retire** and **Eligible To Retire**.

A note to those who have separated from CalPERS-covered employment: upon your death, no benefit will be payable except as provided by law under special circumstances.

***Named Beneficiary.** To designate a beneficiary, or update an earlier designation, you must fill out a **Beneficiary Designation** (State Form 241). This form is available from your employer or CalPERS. For some of the death benefits, you

may name anyone you choose as a beneficiary. If you name a beneficiary and then marry, annul or dissolve your marriage; have a child or adopt a child; your designation will, by law, be revoked. Should any of the above events take place, check with CalPERS about updating your beneficiary designation. If you take a refund of your CalPERS contributions and then return to CalPERS-covered employment, you must complete a new beneficiary designation.

Not Eligible To Retire

Not Eligible To Retire: Under age 55, or age 55 or over with less than 10 years of CalPERS-credited service.

| Benefit | Amount Payable |
|--|---|
| Group Term Life Insurance | <p>This tax-free benefit, paid for by the state, will provide your beneficiary with a lump sum payment of:</p> <ol style="list-style-type: none">1. \$5,000, plus2. six months' pay (50% of your earnable pay for the 12 months just before your death). <p>Your beneficiary will be determined as follows:</p> <ol style="list-style-type: none">1. your named beneficiary, or if none,2. spouse, or if none,3. your children, or if none,4. parents, or if none,5. brothers and sisters, or if none,6. estate if probated, or if not,7. next of kin as provided by law. <p>Although this benefit has been continuously available since its inception in 1974, it is subject to annual renewal.</p> <p>And</p> <p>Applicable only for state members NOT covered under Social Security while in state service. Please see Page 4 for details.</p> |
| 1959 Survivor Benefit (If Applicable) | |

Not Eligible To Retire

Not Eligible To Retire: Under age 55 with at least 20 years of CalPERS-credited service. You must be either not represented by collective bargaining, or belong to a collective bargaining unit which specifically contracts for the "Alternate Death Benefit."

| Benefit | Amount Payable |
|--|--|
| Group Term Life Insurance | Your beneficiary will receive a tax-free lump sum benefit of \$5,000. |
| | And |
| Alternate Death Benefit | <p>Your spouse, if married for more than one year, will receive a monthly allowance equal to the amount you would have received if you had retired for service at age 55 and elected Option 2W, with a reduction based on your actual age at the time of death. The benefit is payable to your spouse until death. Upon the death of your spouse, the benefit will continue to your natural or adopted unmarried children under age 18.</p> <p>If you are not survived by an eligible spouse, but are survived by natural or adopted unmarried children under age 18, they will receive an amount equal to ½ of what your highest service retirement allowance would have been had you retired at age 55, with a reduction based on your actual age at the time of death.</p> |
| | Or |
| Basic Death Benefit | <p>The basic death benefit will be paid if:</p> <ol style="list-style-type: none">1. no one is eligible for the Alternate Death Benefit, or2. the person eligible for the Alternate Death Benefit chooses instead to receive the Basic Death Benefit. <p>Your beneficiary will receive a lump sum payment of six months' pay (50% of your earnable pay for the 12 months just before your death).</p> |
| | And |
| 1959 Survivor Benefit (If Applicable) | <p>Applicable only for state members NOT covered under Social Security while in state service. Please see Page 4 for details.</p> <p>Your beneficiary for the Group Term Life Insurance and/or the Basic Death Benefit would be determined as follows:</p> <ol style="list-style-type: none">1. your spouse (if married for at least one year), or if no eligible spouse,2. unmarried children under age 18, or if none,3. named beneficiary, or if none,4. your spouse (if married for less than one year), or if none,5. children other than those mentioned in 2 above, or if none,6. parents, or if none,7. brothers and sisters, or if none,8. estate if probated, or if not,9. next of kin as provided by law. |

Eligible To Retire

Eligible To Retire: Age 55 or over with a minimum of 10 years of CalPERS-credited service.

| Benefit | Amount Payable |
|--|--|
| Group Term Life Insurance | <p>Your beneficiary will receive a tax-free lump sum benefit of \$5,000.</p> <p>Although this benefit has been continuously available since its inception in 1974, it is subject to annual renewal.</p> <p>And</p> |
| 1959 Survivor Benefit (If Applicable) | <p>Applicable only for state members NOT covered by Social Security while in state service. Please see Page 4 for details.</p> <p>And</p> |
| Optional Settlement 2 Death Benefit | <p>Your spouse, if married for more than one year, will receive a monthly allowance equal to the amount you would have received if you had retired for service on the date of your death and elected Option 2W. The benefit is payable to your spouse until death. Upon the death of your spouse, the benefit will continue to your natural or adopted unmarried children under age 18.</p> <p>Or</p> |
| 1957 Survivor Benefit | <p>This benefit is payable if you are not survived by a spouse who is eligible for the Optional Settlement 2 Death Benefit but are survived by natural or adopted unmarried children under age 18. The benefit is a monthly allowance equal to ½ of what your highest service retirement allowance would have been had you retired on the date of your death.</p> <p>Or</p> |
| Basic Death Benefit | <p>The Basic Death Benefit will be paid if:</p> <ol style="list-style-type: none">1. no one is eligible for one of the monthly allowances above, or2. the person eligible for a monthly allowance above chooses instead to receive the Basic Death Benefit. <p>Your beneficiary will receive a lump sum payment of six months' pay (50% of your earnable pay for the 12 months just before your death).</p> <p>Your beneficiary for the Group Term Life Insurance and/or the Basic Death Benefit will be determined as follows:</p> <ol style="list-style-type: none">1. your spouse (if married for at least one year), or if no such spouse,2. unmarried children under age 18, or if none,3. named beneficiary, or if none,4. your spouse (if married for less than one year), or if none,5. children other than those mentioned in 2 above, or if none,6. parents, or if none,7. brothers and sisters, or if none,8. estate if probated, or if not,9. next of kin as provided by law. |

1959 Survivor Benefit

Only members not covered under Social Security while in state service may have this coverage. If you are covered under the 1959 Survivor Benefit, you will notice a \$2 deduction from your monthly paycheck.

The 1959 Survivor Benefit is paid along with the other death benefits whether or not you were eligible to retire at the time of death.

The benefit consists of a monthly allowance which may be paid to your eligible surviving spouse and children. A spouse is eligible if he or she has care of eligible children or is age 62 or older. Children are eligible if under age 22 and unmarried.

Eligible survivors may receive one of the following monthly allowances (higher amounts are payable under specific collective bargaining agreements):

1. a spouse who has care of two or more eligible children, or three eligible children only \$538*;
2. a spouse who has care of one eligible child, or two eligible children only \$450*;
3. one eligible child only, or spouse at age 62 or older \$225;
4. dependent parents may be eligible if there are none of the above (each)\$225.

* Amounts may differ if all children are not in spouse's care.

Retirement Benefits

Service Retirement

To be eligible for service retirement you must be at least age 55 and have 10 years of CalPERS-credited service. However, if you have five years of credited service earned prior to January 1, 1985, you are eligible to retire at age 50 with less than 10 years of service under the second-tier. There is no compulsory retirement age for state miscellaneous members.

Partial Service Retirement

If you are eligible, you may choose to receive a partial allowance from CalPERS and continue working with your department or agency. You are eligible if:

1. you are at least age 55 with 20 years of service credit; or
2. you have met the minimum requirement for years of service credit and age at retirement, and your age and years of service total 65 or more.

If you are interested in partial service retirement, contact your Personnel Office for more information. Before electing this benefit, you should find out if you are eligible to be fully retired and work as a retired annuitant.

Disability Retirement

You must have at least 10 years of credited service to qualify for disability retirement. If you have less than 10 years of service credit but at least five years earned prior to January 1, 1985, you are eligible for this benefit. There is no minimum age requirement. If you are considering applying for disability retirement, you should request a copy of our booklet **Disability Retirement** (PERS-PUB-10).

Emergency Retirement

CalPERS will expedite retirement processing for those who are terminally ill or facing imminent death. Contact CalPERS or your employer immediately if there is a need for emergency retirement.

Estimating Your Service Retirement Allowance

There are three things you need to know to estimate your retirement allowance: service credit, benefit factor, and final compensation. These are described in this section, with an example and a space to estimate your own benefit.

If your CalPERS service is a combination of some service covered by Social Security and some service not, or if you have a combination of service under CalPERS with the state or a local agency, special consideration must be given to figure the amount of your benefit. You should request a formal estimate from CalPERS by completing a **Retirement Allowance Estimate Request** (PERS-BAS-1), available from your employer or any CalPERS office.

Service Credit

In calculating your retirement allowance you will use your years of credited service. (Refer to your CalPERS Annual Member Statement for your current service credit and add planned future service.)

You may be entitled to additional service credit. Examples of possible additions are:

- redeposit of contributions you have withdrawn from CalPERS;
- service with a CalPERS-covered agency prior to your date of membership;

- service with a public agency prior to the date of that agency's contract with CalPERS; or
- certain types of leaves of absence, public service employment, or military service.

If you elected the second-tier for all past and future eligible state service, you may be able to receive additional service credit at no cost to you. See our booklet **Service Credit** (PERS-PUB-12) or contact the CalPERS Member Services Division for more information. Requests for additional service credit must be received prior to your retirement.

Benefit Factor

This is the percent of pay to which you are entitled for each year of service. It is determined by your age at retirement.

We have shown only whole years of age below; furthermore, the benefit factor increases for each quarter year of attained age from 55 to 65.

| Age At Retirement | Percent Per Year Of Service |
|-------------------|-----------------------------|
| 50 | .500* |
| 51 | .550* |
| 52 | .600* |
| 53 | .650* |
| 54 | .700* |
| 55 | .750 |
| 56 | .800 |
| 57 | .850 |
| 58 | .900 |
| 59 | .950 |
| 60 | 1.000 |
| 61 | 1.050 |
| 62 | 1.100 |
| 63 | 1.150 |
| 64 | 1.200 |
| 65+ | 1.250 |

* If you have five years of credited service earned prior to January 1, 1985, you are eligible to retire at age 50 with less than 10 years under the second-tier.

Final Compensation

Final compensation is your average monthly pay rate for the last consecutive 12 months of employment. If you think there was another period of 12 consecutive

months when your average pay rate was higher, let us know when you apply for retirement. We will use whichever final compensation is higher.

Example

Tom will be retiring at age 60 with 25 years of service.

Step 1: Calculating Percent Of Final Compensation

$$\frac{25}{\text{Years Of Service}} \times \frac{1.0000}{\text{\% Per Year Based On Age At Retirement}} = \frac{25\%}{\text{\% Of Final Compensation}}$$

(from table inside back cover)

Step 2: Calculating Benefit Allowance

$$\frac{\$2,000}{\text{Final Compensation}} \times \frac{25\%}{\text{\% Of Final Compensation (from Step 1)}} = \frac{\$500}{\text{Monthly Unmodified Allowance}}$$

Your Case

You will be retiring at age _____ with _____ years of service.

Step 1: Calculating Percent Of Final Compensation

$$\frac{\text{____}}{\text{Years Of Service}} \times \frac{\text{____}}{\text{\% Per Year Based On Age At Retirement}} = \frac{\text{____}}{\text{\% Of Final Compensation}}$$

(from table inside back cover)

Step 2: Calculating Benefit Allowance

$$\frac{\text{____}}{\text{Final Compensation}} \times \frac{\text{____}}{\text{\% Of Final Compensation (from Step 1)}} = \frac{\text{____}}{\text{Monthly Unmodified Allowance}}$$

Survivor Continuance

This is a benefit paid for by the state. It provides that upon your death, after retirement, a part of your unmodified allowance will automatically continue to an eligible survivor. Those eligible to receive this benefit are shown below.

1. Your spouse will receive the continuance benefit for life if you were married for at least one year before your retirement and had remained married until the date of your death.
2. If you have no eligible spouse, then your natural or adopted unmarried children under age 18 will qualify. They will receive this monthly benefit until marriage or age 18. An unmarried child who was disabled prior to age 18 and whose disability has continued, without interruption, will receive this benefit until the disability ends or until marriage.
3. If none of the above, qualifying dependent parents.

If you became a second-tier member prior to November 1, 1988, the continuance will be $\frac{1}{2}$ of your unmodified allowance.

If you became a second-tier member on or after November 1, 1988, the continuance will be $\frac{1}{2}$ of your unmodified allowance if you are not coordinated with Social Security and $\frac{1}{4}$ of your unmodified allowance if you are coordinated with Social Security.

If you have a combination of service under CalPERS with the state or a local public agency, special consideration must be given to figure the amount of your continuance benefit. Contact your nearest Area or Field Office or your employer for a **Retirement Allowance Estimate Request** (PERS-BAS-1).

Remember, Survivor Continuance will apply only if you have an eligible family member as of the date of your retirement.

Optional Settlements

When you retire, you may choose to receive the unmodified allowance, or you may take a reduction to that allowance and choose one of the six options.

The unmodified allowance is the highest amount payable and provides a monthly benefit to you that ends upon your death. Each of the options provides a benefit to your named beneficiary after your death. Option 1 provides a lump sum payment of your remaining contributions (if any). Option 2, 2W, 3, 3W, or 4 provides a monthly allowance.

The reduction to your unmodified allowance depends on the option you choose.

Option 1. The reduction is based on your life expectancy at retirement and the amount of your contributions (if any). You may name one or more beneficiaries, and you may designate a new beneficiary at any time. This is available only if you have contributions on deposit with CalPERS for first-tier state service or other CalPERS-covered service.

Option 2 or 3. The reduction is based on both your life expectancy at retirement and your beneficiary's. The younger your beneficiary, the greater the reduction. (If you have someone eligible for Survivor Continuance, the reduction is applied only to the option portion of your allowance.) You may name only one beneficiary, and your designation may not be changed after retirement except under limited circumstances.

If your beneficiary dies before you, your allowance will increase to the higher unmodified allowance amount. Under certain circumstances you may not want to "buy" this coverage; for example, you name a young child as beneficiary. Therefore, you may waive this coverage, by electing **Option 2W or 3W**, and take a lesser reduction to your unmodified allowance. CalPERS will provide you with calculations of all these choices when you apply for retirement.

Option 4. The reduction is based on the type of option you design. The amount to your beneficiary cannot be greater than that provided by Option 2W. Refer to our booklet **Retirement Option 4** (PERS-PUB-18), for examples of types of allowances you can provide for your beneficiary.

The examples on the following pages provide more detail on the unmodified allowance and the options. The dollar amounts used are to show the relative cost of each option and are not representative of your case. If you have a family member eligible for Survivor Continuance, see the example on Page 7; if not, skip to Page 8.

Example Of Optional Settlements With Survivor Continuance

Our example assumes your spouse is named beneficiary and is eligible for Survivor Continuance. We have also assumed that you were covered under the second-tier prior to November 1, 1988, and therefore the continuance would equal $\frac{1}{2}$ of your unmodified allowance.

| | Retiree's Lifetime Allowance | Monthly Benefit To Surviving Spouse | |
|--|------------------------------------|--|---|
| Unmodified Allowance The highest allowance payable. After your death, your beneficiary will receive the Survivor Continuance benefit for life. | \$500 | \$250 | Survivor Continuance |
| Option 1 This option will apply only if you have contributions on deposit with CalPERS for service under another formula. Any remaining contributions will be paid in a lump sum to a beneficiary. Your spouse will receive the Survivor Continuance benefit for life. | | \$250 | Survivor Continuance plus any remaining contributions |
| Option 2* After your death, your spouse will receive the option portion and the Survivor Continuance benefit for life. If your spouse predeceases you, your allowance will increase to the unmodified amount. | \$225 <u>\$250</u> \$475 | \$225 <u>\$250</u> \$475 | Option Portion Survivor Continuance Total |
| Option 2W* After your death, your Spouse will receive the option portion and the Survivor Continuance benefit for life. If your spouse predeceases you, your allowance will continue at the Option 2W amount. | \$229 <u>\$250</u> \$479 | \$229 <u>\$250</u> \$479 | Option Portion Survivor Continuance Total |
| Option 3* After your death, your spouse will receive $\frac{1}{2}$ the option portion and the Survivor Continuance benefit for life. If your spouse predeceases you, your allowance will increase to the unmodified amount. | \$237 <u>\$250</u> \$487 | \$118 <u>\$250</u> \$368 | Option Portion Survivor Continuance Total |
| Option 3W* After your death, your spouse will receive $\frac{1}{2}$ the option portion and the Survivor Continuance benefit for life. If your spouse predeceases you, your allowance will continue at the Option 3W amount. | \$239 <u>\$250</u> \$489 | \$120 <u>\$250</u> \$370 | Option Portion Survivor Continuance Total |
| Option 4 You may customize the type of allowance you want to provide to your beneficiary as long as the amount for your beneficiary is not more than the amount provided under Option 2W. | | | |

Please refer to our booklet **Retirement Option 4** (PERS-PUB-18), for examples of the types of allowances you can provide your beneficiary.

*Although our example specifies spouse, you may designate anyone to receive the option portion of an allowance. The Survivor Continuance benefit is guaranteed to an eligible survivor after your death.

Example Of Optional Settlements Without Survivor Continuance

| | Retiree's Lifetime Allowance | Beneficiary's Monthly Allowance |
|---|------------------------------------|------------------------------------|
| Unmodified Allowance The unmodified allowance is the highest payable. Following your death, only the retired member death benefit will be paid to your named beneficiary. | \$500 | None |
| Option 1 This option will apply only if you have contributions on deposit with CalPERS for service under another formula. After your death, all of your remaining contributions will be paid in a lump sum to your named beneficiary. | | None |
| Option 2 After your death, your beneficiary will receive the same monthly allowance you were receiving. If your beneficiary predeceases you, your allowance will increase to the unmodified amount. | \$450 | \$450 |
| Option 2W After your death, your beneficiary will receive the same monthly allowance you were receiving. If your beneficiary predeceases you, your allowance will continue at the Option 2W amount. | \$458 | \$458 |
| Option 3 After your death, your beneficiary will receive a monthly allowance equal to ½ the amount you had been receiving. If your beneficiary predeceases you, your allowance will increase to the unmodified amount. | \$474 | \$237 |
| Option 3W After your death, your beneficiary will receive a monthly allowance equal to ½ the amount you had been receiving. If your beneficiary predeceases you, your allowance will continue at the Option 3W amount. | \$478 | \$239 |
| Option 4 You may customize the type of allowance you want to provide to your beneficiary as long as the amount for your beneficiary is not more than the amount provided under Option 2W. | | |

Please refer to our booklet **Retirement Option 4** (PERS-PUB-18), for examples of the types of allowances you can provide your beneficiary.

State Miscellaneous Members

1 1/4% at 65 Formula

Exact Age And Percentage Of Final Compensation

| Age | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65+ |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Benefit Factor | .750 | .800 | .850 | .900 | .950 | 1.000 | 1.050 | 1.100 | 1.150 | 1.200 | 1.250 |
| Years Of Service | | | | | | | | | | | |
| 10 | 7.50% | 8.00% | 8.50% | 9.00% | 9.50% | 10.00% | 10.50% | 11.00% | 11.50% | 12.00% | 12.50% |
| 11 | 8.25% | 8.80% | 9.35% | 9.90% | 10.45% | 11.00% | 11.55% | 12.10% | 12.65% | 13.20% | 13.75% |
| 12 | 9.00% | 9.60% | 10.20% | 10.80% | 11.40% | 12.00% | 12.60% | 13.20% | 13.80% | 14.40% | 15.00% |
| 13 | 9.75% | 10.40% | 11.05% | 11.70% | 12.35% | 13.00% | 13.65% | 14.30% | 14.95% | 15.60% | 16.25% |
| 14 | 10.50% | 11.20% | 11.90% | 12.60% | 13.30% | 14.00% | 14.70% | 15.40% | 16.10% | 16.80% | 17.50% |
| 15 | 11.25% | 12.00% | 12.75% | 13.50% | 14.25% | 15.00% | 15.75% | 16.50% | 17.25% | 18.00% | 18.75% |
| 16 | 12.00% | 12.80% | 13.60% | 14.40% | 15.20% | 16.00% | 16.80% | 17.60% | 18.40% | 19.20% | 20.00% |
| 17 | 12.75% | 13.60% | 14.45% | 15.30% | 16.15% | 17.00% | 17.85% | 18.70% | 19.55% | 20.40% | 21.25% |
| 18 | 13.50% | 14.40% | 15.30% | 16.20% | 17.10% | 18.00% | 18.90% | 19.80% | 20.70% | 21.60% | 22.50% |
| 19 | 14.25% | 15.20% | 16.15% | 17.10% | 18.05% | 19.00% | 19.95% | 20.90% | 21.85% | 22.80% | 23.75% |
| 20 | 15.00% | 16.00% | 17.00% | 18.00% | 19.00% | 20.00% | 21.00% | 22.00% | 23.00% | 24.00% | 25.00% |
| 21 | 15.75% | 16.80% | 17.85% | 18.90% | 19.95% | 21.00% | 22.05% | 23.10% | 24.15% | 25.20% | 26.25% |
| 22 | 16.50% | 17.60% | 18.70% | 19.80% | 20.90% | 22.00% | 23.10% | 24.20% | 25.30% | 26.40% | 27.50% |
| 23 | 17.25% | 18.40% | 19.55% | 20.70% | 21.85% | 23.00% | 24.15% | 25.30% | 26.45% | 27.60% | 28.75% |
| 24 | 18.00% | 19.20% | 20.40% | 21.60% | 22.80% | 24.00% | 25.20% | 26.40% | 27.60% | 28.80% | 30.00% |
| 25 | 18.75% | 20.00% | 21.25% | 22.50% | 23.75% | 25.00% | 26.25% | 27.50% | 28.75% | 30.00% | 31.25% |
| 26 | 19.50% | 20.80% | 22.10% | 23.40% | 24.70% | 26.00% | 27.30% | 28.60% | 29.90% | 31.20% | 32.50% |
| 27 | 20.25% | 21.60% | 22.95% | 24.30% | 25.65% | 27.00% | 28.35% | 29.70% | 31.05% | 32.40% | 33.75% |
| 28 | 21.00% | 22.40% | 23.80% | 25.20% | 26.60% | 28.00% | 29.40% | 30.80% | 32.20% | 33.60% | 35.00% |
| 29 | 21.75% | 23.20% | 24.65% | 26.10% | 27.55% | 29.00% | 30.45% | 31.90% | 33.35% | 34.80% | 36.25% |
| 30 | 22.50% | 24.00% | 25.50% | 27.00% | 28.50% | 30.00% | 31.50% | 33.00% | 34.50% | 36.00% | 37.50% |
| 31 | 23.25% | 24.80% | 26.35% | 27.90% | 29.45% | 31.00% | 32.55% | 34.10% | 35.65% | 37.20% | 38.75% |
| 32 | 24.00% | 25.60% | 27.20% | 28.80% | 30.40% | 32.00% | 33.60% | 35.20% | 36.80% | 38.40% | 40.00% |
| 33 | 24.75% | 26.40% | 28.05% | 29.70% | 31.35% | 33.00% | 34.65% | 36.30% | 37.95% | 39.60% | 41.25% |
| 34 | 25.50% | 27.20% | 28.90% | 30.60% | 32.30% | 34.00% | 35.70% | 37.40% | 39.10% | 40.80% | 42.50% |
| 35 | 26.25% | 28.00% | 29.75% | 31.50% | 33.25% | 35.00% | 36.75% | 38.50% | 40.25% | 42.00% | 43.75% |
| 36 | 27.00% | 28.80% | 30.60% | 32.40% | 34.20% | 36.00% | 37.80% | 39.60% | 41.40% | 43.20% | 45.00% |
| 37 | 27.75% | 29.60% | 31.45% | 33.30% | 35.15% | 37.00% | 38.85% | 40.70% | 42.55% | 44.40% | 46.25% |
| 38 | 28.50% | 30.40% | 32.30% | 34.20% | 36.10% | 38.00% | 39.90% | 41.80% | 43.70% | 45.60% | 47.50% |
| 39 | – | 31.20% | 33.15% | 35.10% | 37.05% | 39.00% | 40.95% | 42.90% | 44.85% | 46.80% | 48.75% |
| 40 | – | – | 34.00% | 36.00% | 38.00% | 40.00% | 42.00% | 44.00% | 46.00% | 48.00% | 50.00% |